The HALO Report™ is a collaborative effort of the Angel Resource Institute™, Florida Atlantic University, and Pitchbook™ intended to raise awareness of early stage investment activities highlighting trends that may inform our decisions and impact opportunities for angels and entrepreneurs.
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For more information about ARI, please visit [angelresource.org](http://angelresource.org)
Angel Group Update: Halo Report Annual 2018 Highlights & Trends

U.S. Angel Investing Activity

Background: For 2018, our U.S. Angel data set now includes 2,518 deals, excluding incubators. We agreed that while investments from incubators is important to characterize, and understand their activity and geographic influence, they do not reflect typical “angel” activity. In 2018, we also make a distinction between pre Series A (including Seed investments), and Series A, since some angel groups now lead Series A deals, if not participate actively in them. We also tracked deals where angels continue to invest in follow on rounds into Series B and beyond. We of course, did not include these later stage deals in any of the valuation or round size data. There are plenty of published sources for this kind of data. Our particular interest was in knowing the level of follow on activity from angels in Series B and beyond. Gathering this data however did lead us to add an additional 784 data points beyond the initial 1,734 for Seed and Series A deals.

Gender & Ethnicity: Most interesting to note is the rigorous analysis we did on gender and ethnicity. At least rigorous in sheer number of deals. Most of this effort was a manual process, with few groups tracking and reporting this data. We now have enough data to be statistically significant. In fact we did not sample the deals but looked at every single company that reported to ARI and/or was captured by PitchBook data, that raised capital in 2018. What did we find?

Out of a total of 1734 known data points alone for Seed and Series A deals, 16% of Founders and 14% of CEO's are female, up from 13% aggregated in 2017. Because the differences reported by gender and ethnicity for founders vs. CEO's was remarkably similar, we focused, for simplicity of reporting these results, on understanding gender and ethnicity of CEO’s of early stage companies, Seed, and Series A (combined), and Series B and beyond additional data points follow on financing from angels. A total of 784 additional data points. With a focus on CEO’s, we then could see that male CEO's account for 84.9% of all CEO's, and female CEO's account for 15% of all CEO's in the Seed/Series A stages. Since out study this year did include Series A and Seed combined some of the increase in male CEO's as a percent of total may account for this difference. When we look at the gender of later stage company CEO's, however, we find a 1% increase in the number of male CEO's and a 1% corresponding decrease in the % of female CEO's.

However, with respect to ethnicity, we also found ethnic diversity relatively constant between founders and CEO's of pre Series A and Series A companies – at 19% of all companies. But when we considered more mature companies with a Series B or greater investment, only 12% of these companies had a CEO with from a minority ethnicity.

In 2017 we noted amongst the early stage companies only 5.39% of all female founders and CEO's were of a minority ethnicity. While minority leaders of male founders/CEO's was 20.4%. In 2018 with even more data, we found the diversity profile of only 3.6% of minority female CEO's, and 15% of CEO’s ethnically diverse males. These numbers further decrease with Series B and later stage companies.

New Deals versus Follow-ons: anecdotal evidence of what you hear (and most likely witness firsthand) of a potential “bubble” in early-stage investing is showing up as a
Angel Group Update: Halo Report Annual 2018 Highlights & Trends Continued

shift in the ratio of “new” versus “follow-on” financings. At mid-year 2018, 52% were follow-on rounds, but now with a full year’s worth of data, we see not only a higher number of new deals, but more dollars put to work as well. Our final numbers bring us to almost 59% of all deals as new, with 41% follow on deals.

You will also note that the % of new deals vs follow on deals nationally was influenced by California; 75% of deals in California were new investments. We definitely know the bubble of continued new company formation is leading to more deals, not necessarily of a large size, but newly funded companies.

Industry/sector preferences: to no one’s surprise, once again “Information Technology/Software” leads the way accounting for 38% of all investments. “Healthcare” (in all its manifestations) accounted for 19%, while B to B products and services slightly surpassed B to C products and services – a virtual tie at 18.36% and 18.14% respectively. This demonstrates a growing number of B to B business products and service investments relative to B to Consumer Products and Services are capturing angel dollars.

Deal Structure: The historic proportionality between deals that are structured as preferred equity vs. convertible note investments appears to be holding ground. Of the deals where we know the security type, almost 56% used a preferred financing instrument (Seed and Series A combined), while 28% were standard convertible notes.

Only 2.7% of all deals were SAFE’s and 4.6% “other”. (Note: we combined these two categories for simplicity of presentation.) We still found 8.6% of investments were in Common Stock, but could not find an explanation. Some groups purchased common from founders looking for liquidity, but this type of transaction was not typically a reported investment. One unusual financial services deal required the investor to invest in common stock, but was an anomaly. We still seek those who chose to invest in common stock to elaborate on why. We may do more inquiry into the type of securities preferred and why.

We do note that in the popular Series Seed.com instruments, should a qualified financing not occur in a convertible note of a Series Seed, the capital converts into common. Our 8% for common may include these structures.

Valuations: We pushed for additional data points on valuation, and now are confident that Series Seed Pre Series A is indeed on average $6.14M with a median Pre Money Valuation of $5M. The average Pre Series A round size if $1.43M, but the median is much smaller - $680K. The average Angel Group Investment at the Seed stage is $147K, with the median $100K.

Series A deals have an average pre money valuation of $14.6M with a median of $12M. This average is more than $1M higher than our mid-year report, closing the year with more highly valued deals. Series A deals however have a modest Average round size of $2.33, and a median funding round of $1M.

Leaders of the Pack: maintaining its leadership pace in sheer number of deals, the Houston Angel Network racked up an astounding 84 investment deals, which they reported for all of 2018. Please see the final
Angel Group Update: Halo Report Annual 2018 Highlights & Trends Continued

count of the top 10 most active Angel Groups reporting ranked by # of deals

Geography trends: California still carries the day with 19.13% of all companies funded residing in California, but down from 20.6% in 2017. Companies funded in the South East region grew from 13.4% in 2017 to 15.76%. The Mid Atlantic region 8.84% in 2017 rose to 11.42%

Regional Borders: U.S. State and regional borders are permeable. But the difference in orientation of angels groups – towards staying close to home, vs venturing out of region is dramatically different. Consider investors in NY are most aggressively investing outside NY State – 68% of all investments tracked were out of region vs 32% in region. NY State was followed by California angel investors who placed investments with companies outside their home state in 58% of the deals, with 42% staying within companies in the State. This is in stark contrast with angels based in the North West region, who stayed close to home with 92.45% of their deals within the region – and holding the record for regional focus - only 7.55% of their deals outside of their region. A similar pattern held for the North East, with 89.6% of investment staying within the region.

The more we uncover, the more we want to learn about our early stage investing community. We look forward to your continued engagement as we continue to build on the Halo data set, and augment/refine based on your interests in particular

Please reach out directly to discuss any of the data. And kindly submit your data for the first half of 2019 by the end of the month to our team at research@angelresourceinstitute.org.

Data Validation & Methodology for 2018 HALO Report™

Angels and angel groups invest alone, together, and with many other types of investors. Unless otherwise noted, the 2018 HALO Report™ data includes funding rounds that have at least one angel group participating and may include other types of investors in those rounds. Note that “Median Angel Group Investment” is the median size of reported investments made by Angel groups in the reported deals. There are many groups that have the capability of making significantly higher investments; however, the 2018 data showed that many of these groups also invested smaller amounts of capital. It is important to note that the “Median Funding Round Size” includes investments from Angel groups and non-angel groups including venture capital funds and family offices.

This report discusses angel group investment trends for 2018, representing a total of 2,518 deals. Data was sourced directly from angel groups through the Angel Resource Institute’s data portal (www.arihaloreport.com), via email, from direct conversations with group leaders or their administrators, and via PitchBook. Additional data was collected from individual angels but is not included in this report.

This material and report, including (without limitation) the statistical information provided herein, is intended for informational purposes only. The material is based on information from third-party sources that are believed to be reliable, but which have not necessarily been independently verified; for this reason, the information is not represented as accurate or complete. The information should not be viewed as tax, investment, legal or other advice, nor is it to be relied upon in making any investment or other decisions. You should obtain relevant and specific professional advice before making any investment decision. Nothing relating to this material should be construed as a solicitation, offer, or recommendation to acquire or dispose of any investment, or to engage in any other transaction.
HALO REPORT OVERVIEW
WHERE THE ANGEL-BACKED DEALS ARE LOCATED
(PORTFOLIO COMPANY HEADQUARTERS)

FINANCIAL TERMS OF ANGEL INVESTMENTS
(FIRST ROUND DEALS, AGNOSTIC TO GEOGRAPHY AND INDUSTRY)

- Median Pre-Money Valuation - Series A: $12M
- Median Pre-Money Valuation - Seed: $5M
- Median Funding Round - Series A: $1M
- Median Funding Round - Seed: $680K
- Median Angel Group Investment - Series A: $150K
- Median Angel Group Investment - Seed: $100K
**INDUSTRIES ANGELS LIKE**
(Average Pre-Money in Millions, See & Series A combined)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Dollars Invested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Technology</td>
<td>$8.7</td>
</tr>
<tr>
<td>Healthcare</td>
<td>$8.7</td>
</tr>
<tr>
<td>Business Products and Services (B2B)</td>
<td>$8.4</td>
</tr>
<tr>
<td>Consumer Products and Services (B2C)</td>
<td>$7.1</td>
</tr>
<tr>
<td>Financial services, Materials, &amp; Others</td>
<td>$1.7</td>
</tr>
<tr>
<td>Energy</td>
<td>$32.4</td>
</tr>
</tbody>
</table>

**DEAL STRUCTURE**
(Percentage of Deals)

- Preferred Stock: 56%
- Convertible Note: 28%
- Common Stock: 9%
- Safe, Debt, Other: 7%

**TOP ANGEL GROUPS**
RANKED BY # OF DEALS

1. Houston Angel Network
2. Keiretsu Forum
3. Ben Franklin Technology Partners
4. Alliance of Angels
5. Pasadena Angels
6. Golden Seeds
7. New York Angels
8. Robin Hood Ventures
9. St. Louis Arch Angels
10. Maine Angels
CEO's Gender & Ethnicity

<table>
<thead>
<tr>
<th>Funding Stage CEO</th>
<th>Female</th>
<th>%Female</th>
<th>Male</th>
<th>N Total</th>
<th>Female</th>
<th>%Female</th>
<th>Male</th>
<th>N Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>261</td>
<td>15.39%</td>
<td>1437</td>
<td>1696</td>
<td>110</td>
<td>14.03%</td>
<td>674</td>
<td>784</td>
</tr>
<tr>
<td>Minority</td>
<td>61</td>
<td>3.60%</td>
<td>262</td>
<td>1696</td>
<td>17</td>
<td>2.17%</td>
<td>75</td>
<td>784</td>
</tr>
</tbody>
</table>

Series B & Later CEOs

<table>
<thead>
<tr>
<th>Funding Stage CEO</th>
<th>Female</th>
<th>%Female</th>
<th>Male</th>
<th>N Total</th>
<th>Female</th>
<th>%Female</th>
<th>Male</th>
<th>N Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>110</td>
<td>14.03%</td>
<td>674</td>
<td>784</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minority</td>
<td>17</td>
<td>2.17%</td>
<td>75</td>
<td>784</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CEO Ratio: Women to Men

- Seed & Series A
  - All CEOs: 0.00 1.00
  - Minority CEOs: 0.00 1.00
- Series B & Later
  - All CEOs: 0.00 1.00
  - Minority CEOs: 0.00 1.00
### VALUATION & INVESTMENT SIZE
(in Millions; Median, Average)

- **Median Pre-Money**: $10.0
- **Average Pre-Money**: $10.0

### NEW OR FOLLOW-ON?
(Percentage of deals done as a follow-on)
- **25%** Follow-on
- **75%** New Co

### REGIONAL INDUSTRY
(Percentage of deals in the region)

- **Business Products & Services**: 20.90%
- **Consumer Products & Services**: 16.12%
- **Energy**: 1.49%
- **Healthcare**: 18.51%
- **Information Technology**: 39.40%
- **Financial Services, Materials, Other**: 3.58%

### DEAL STRUCTURE
(Percentage of deals)
- **Preferred Stock**: 17%
- **Convertible Note**: 9%
- **Common, Safe, Debt, Other**: 7%

### MOST ACTIVE GROUPS IN REGION
(Ranked by number of investments or deals reported in the region)
- Pasadena Angels
- Houston Angel Network
- Keiretsu Forum
- Life Science Angels
- Golden Seeds
- Astia Angels
GREAT LAKES 2018

**Most Active Groups in Region**

- Business Prod & Svcs (B2B) (18.60%)
- Cons Prod & Svcs (B2C) (17.05%)
- Energy (0.00%)
- Healthcare (21.71%)
- Information Technology (40.31%)
- Fin Svcs, Materials, & Others (2.33%)

**NEW OR FOLLOW-ON?**

(Percentage of deals done as a follow-on)

- 52% Follow-on
- 48% New Co

**DEAL STRUCTURE**

(Percentage of deals)

- Preferred Stock: 67%
- Convertible Note: 20%
- Common, Safe, Debt, Other: 14%

**REGIONAL INDUSTRY**

(Percentage of deals in the region)

- Business Prod & Svcs (B2B) (18.60%)
- Cons Prod & Svcs (B2C) (17.05%)
- Energy (0.00%)
- Healthcare (21.71%)
- Information Technology (40.31%)
- Fin Svcs, Materials, & Others (2.33%)

**VALUATION & INVESTMENT SIZE**

(In millions; median, average)

- Median Pre-Money
- Average Pre-Money
- Median Funding Round
- Average Funding Round
- Med Angel Grp Inv
- Avg Angel Grp Inv

**% Deals in Region**

Percentage of Angel group funded deals within own region

- 78% 2014
- 84% 2015
- 85% 2016
- 69% 2017
- 67% 2018

**Most Active Groups in Region**

- IrishAngels
- Drummond Road Capital
- Grand Angels
- Hyde Park Angels

(Ranked by number of investments or deals reported in the region)
CEO's Gender & Ethnicity

### Seed & Series A CEOs

<table>
<thead>
<tr>
<th>Funding Stage CEO</th>
<th>Early</th>
<th>Late</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td></td>
<td>18</td>
<td>14.17%</td>
</tr>
<tr>
<td>Minority</td>
<td>7</td>
<td>5.51%</td>
</tr>
</tbody>
</table>

### All CEOs, Series B & Later

<table>
<thead>
<tr>
<th>Funding Stage CEO</th>
<th>Early</th>
<th>Late</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td></td>
<td>18</td>
<td>14.17%</td>
</tr>
<tr>
<td>Minority</td>
<td>7</td>
<td>5.51%</td>
</tr>
</tbody>
</table>

### Series B & Later CEOs

<table>
<thead>
<tr>
<th>Funding Stage CEO</th>
<th>Early</th>
<th>Late</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td></td>
<td>18</td>
<td>14.17%</td>
</tr>
<tr>
<td>Minority</td>
<td>7</td>
<td>5.51%</td>
</tr>
</tbody>
</table>

### CEO Ratio: Women to Men

- **Seed & Series A**
  - All CEOs: 0.17
  - Minority CEOs: 0.44
- **Series B & Later**
  - All CEOs: 0.14
  - Minority CEOs: 0.10
**Valuation & Investment Size**

- Median Pre-Money: 
  - $0.0
  - $5.0
  - $10.0
  - $15.0

- Average Pre-Money: 
  - $0.0
  - $1.0
  - $2.0
  - $3.0

**New or Follow-On?**

- 40% Follow-on
- 60% New Co

**Regional Industry**

- **Business Prod & Svcs (B2B)** (13.75%)
- **Cons Prod & Svcs (B2C)** (13.75%)
- **Energy** (1.25%)
- **Healthcare** (30.00%)
- **Information Technology** (37.50%)
- **Fin Svcs, Materials, & Others** (3.75%)

**Deal Structure**

- Preferred Stock: 42%
- Convertible Note: 50%
- Safe, Debt, Other: 8%

**Most Active Groups in Region**

- St. Louis Arch Angels
- Keiretsu Forum
- IrishAngels
- Houston Angel Network

**% Deals in Region**

- 2014: 73%
- 2015: 76%
- 2016: 67%
- 2017: 64%
- 2018: 82%

(Percentage of Angel group funded deals within own region)}
## CEO's Gender & Ethnicity

<table>
<thead>
<tr>
<th>Funding Stage</th>
<th>Early</th>
<th>Late</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female</td>
<td>%Female</td>
</tr>
<tr>
<td>All</td>
<td>14</td>
<td>17.95%</td>
</tr>
<tr>
<td>Minority</td>
<td>1</td>
<td>1.28%</td>
</tr>
</tbody>
</table>

### CEO Ratio: Women to Men

- **Seed & Series A CEOs**
  - All CEOs: 0.22
  - Minority CEOs: 0.13

- **Series B & Later CEOs**
  - All CEOs: 0.16
  - Minority CEOs: 0.40

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### Seed & Series A CEOs

- **Funding Stage**
  - All CEOs: 82.05%
  - Minority CEOs: 17.95%
  - Gender:
    - Female: 10.26%
    - Male: 89.74%

- **Series B & Later CEOs**
  - All CEOs: 86.27%
  - Minority CEOs: 13.73%
  - Gender:
    - Female: 9.80%
    - Male: 90.20%
2018

**Valuation & Investment Size**

<table>
<thead>
<tr>
<th>In Millions; Median, Average</th>
<th>Median Pre-Money</th>
<th>Average Pre-Money</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$0.0</td>
<td>$10.0</td>
</tr>
<tr>
<td></td>
<td>$5.0</td>
<td>$15.0</td>
</tr>
<tr>
<td></td>
<td>$10.0</td>
<td>$20.0</td>
</tr>
</tbody>
</table>

**Regional Industry**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentage of Deals in the Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Prod &amp; Svcs (B2B)</td>
<td>16.00%</td>
</tr>
<tr>
<td>Consumer Prod &amp; Svcs (B2C)</td>
<td>18.50%</td>
</tr>
<tr>
<td>Energy</td>
<td>1.00%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>25.50%</td>
</tr>
<tr>
<td>Information Technology</td>
<td>36.00%</td>
</tr>
<tr>
<td>Fin Svcs, Materials, &amp; Others</td>
<td>3.00%</td>
</tr>
</tbody>
</table>

**New or Follow-On?**

<table>
<thead>
<tr>
<th>Percentage of Deals Done as a Follow-On</th>
<th>Follow-on</th>
<th>New Co</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>48%</td>
<td>52%</td>
</tr>
</tbody>
</table>

**Deal Structure**

<table>
<thead>
<tr>
<th>Preferred Stock</th>
<th>Convertible Note</th>
<th>Common, Safe, Debt, Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>63%</td>
<td>25%</td>
<td>12%</td>
</tr>
</tbody>
</table>

**% Deals in Region**

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>59%</td>
</tr>
<tr>
<td>2015</td>
<td>62%</td>
</tr>
<tr>
<td>2016</td>
<td>62%</td>
</tr>
<tr>
<td>2017</td>
<td>70%</td>
</tr>
<tr>
<td>2018</td>
<td>85%</td>
</tr>
</tbody>
</table>

**Most Active Groups in Region**

- Ben Franklin Technology Partners
- Robin Hood Ventures
- Blu Venture Investors
- BlueTree Allied Angels

(Ranked by number of investments or deals reported in the region)
CEO's Gender & Ethnicity

### Seed & Series A CEOs

<table>
<thead>
<tr>
<th>Funding Stage CEO</th>
<th>Early</th>
<th>Late</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>All</td>
<td>18</td>
<td>173</td>
</tr>
<tr>
<td>Minority</td>
<td>2</td>
<td>35</td>
</tr>
</tbody>
</table>

### Series B & Later CEOs

<table>
<thead>
<tr>
<th>Funding Stage CEO</th>
<th>Early</th>
<th>Late</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>All</td>
<td>18</td>
<td>173</td>
</tr>
<tr>
<td>Minority</td>
<td>2</td>
<td>35</td>
</tr>
</tbody>
</table>

#### CEO Ratio: Women to Men

- **Seed & Series A**
  - All CEOs: 0.00 1.00
  - Minority CEOs: 0.06 1.00
- **Series B & Later**
  - All CEOs: 0.00 1.00
  - Minority CEOs: 0.33 1.00
NEW YORK

2018

**VALUATION & INVESTMENT SIZE**
(IN MILLIONS; MEDIAN, AVERAGE)

- **Median Pre-Money**
- **Average Pre-Money**

**REGIONAL INDUSTRY**
(PERCENTAGE OF DEALS IN THE REGION)

- Business Prod & Svcs (B2B) (18.71%)
- Cons Prod & Svcs (B2C) (22.81%)
- Energy (1.75%)
- Healthcare (14.04%)
- Information Technology (39.18%)
- Fin Svcs, Materials, & Others (3.51%)

**NEW OR FOLLOW-ON?**
(PERCENTAGE OF DEALS DONE AS A FOLLOW-ON)

- 42% Follow-on
- 58% New Co

**DEAL STRUCTURE**
(PERCENTAGE OF DEALS)

- Preferred Stock: 54%
- Convertible Note: 37%
- Common, Safe, Debt, Other: 9%

**% Deals in Region**
Percentage of Angel group funded deals within own region

- 62% 2014
- 58% 2015
- 71% 2016
- 51% 2017
- 32% 2018

**Most Active Groups in Region**
(Ranked by number of investments or deals reported in the region)

- New York Angels
- Golden Seeds
- Houston Angel Network
- Keiretsu Forum
CEO's Gender & Ethnicity

Seed & Series A CEOs

<table>
<thead>
<tr>
<th>Funding Stage CEO</th>
<th>Early</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>All</td>
<td>28</td>
<td>137</td>
</tr>
<tr>
<td>Minority</td>
<td>8</td>
<td>31</td>
</tr>
</tbody>
</table>

CEO Ratio: Women to Men

Seed & Series A
- All CEOs: 0.00 - 1.00
- Minority CEOs: 0.26

Series B & Later CEOs
- All CEOs: 0.00 - 1.00
- Minority CEOs: 0.43

2018

NEW YORK
### VALUATION & INVESTMENT SIZE

(IN MILLIONS; MEDIAN, AVERAGE)

- **Median Pre-Money**
  - $0.0
  - $5.0
  - $10.0
  - $15.0
  - $20.0
  - $25.0

- **Average Pre-Money**
  - $0.0
  - $1.0
  - $2.0
  - $3.0

- **Med Funding Round**
  - $0.0
  - $1.0
  - $2.0

- **Avg Funding Round**
  - $0.0
  - $1.0
  - $2.0

- **Med Angel Grp Inv**
  - $0.0

- **Avg Angle Grp Inv**
  - $0.0

### REGIONAL INDUSTRY

(PERCENTAGE OF DEALS IN THE REGION)

- **Business Prod & Svcs (B2B)** (17.45%)
- **Cons Prod & Svcs (B2C)** (16.78%)
- **Energy** (4.03%)
- **Healthcare** (22.15%)
- **Information Technology** (33.56%)
- **Fin Svcs, Materials, & Others** (6.04%)

### NEW OR FOLLOW-ON?

(PERCENTAGE OF DEALS DONE AS A FOLLOW-ON)

- **54%** Follow-on
- **46%** New Co

### DEAL STRUCTURE

(PERCENTAGE OF DEALS)

- **Preferred Stock** 58%
- **Convertible Note** 25%
- **Common, Safe, Debt, Other** 17%

### % Deals in Region

Percentage of Angel group funded deals within own region

- 2014: 83%
- 2015: 89%
- 2016: 93%
- 2017: 77%
- 2018: 90%

### Most Active Groups in Region

(Ranked by number of investments or deals reported in the region)

- Maine Angels
- Hub Investment Group
- Golden Seeds
- Robin Hood Ventures
### 2018 NORTHEAST

#### CEO's Gender & Ethnicity

**Seed & Series A CEOs**

<table>
<thead>
<tr>
<th>Funding Stage</th>
<th>All</th>
<th>Minority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>17</td>
<td>4</td>
</tr>
<tr>
<td>%Female</td>
<td>11.81%</td>
<td>2.78%</td>
</tr>
<tr>
<td>Male</td>
<td>127</td>
<td>20</td>
</tr>
<tr>
<td>N Total</td>
<td>144</td>
<td>144</td>
</tr>
</tbody>
</table>

#### Series B & Later CEOs

<table>
<thead>
<tr>
<th>All Minority</th>
<th>All CEOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>N Total</td>
<td>71</td>
</tr>
<tr>
<td>%Female</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>0%</td>
</tr>
<tr>
<td>N Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

#### CEO Ratio: Women to Men

- **Seed & Series A**
  - All CEOs: 0.00(0.13)
  - Minority CEOs: 0.00(0.00)
- **Series B & Later**
  - All CEOs: 0.00(1.15)
  - Minority CEOs: 0.00(1.32)

---

**Funding Stage Distribution**

- **All CEOs**, Seed & Series A:
  - Male: 88.19%
  - Female: 11.81%

- **Minority CEOs**, Seed & Series A:
  - Male: 83.33%
  - Female: 16.67%

- **All CEOs**, Series B & Later:
  - Male: 100%
  - Female: 0%

- **Minority CEOs**, Series B & Later:
  - Male: 100%
  - Female: 0%
### VALUATION & INVESTMENT SIZE

<table>
<thead>
<tr>
<th>Value</th>
<th>Median Pre-Money</th>
<th>Average Pre-Money</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.0</td>
<td>$5.0</td>
<td>$10.0</td>
</tr>
<tr>
<td>$10.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$15.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$20.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### REGIONAL INDUSTRY

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Prod &amp; Svcs (B2B)</td>
<td>22.62%</td>
</tr>
<tr>
<td>Cons Prod &amp; Svcs (B2C)</td>
<td>22.02%</td>
</tr>
<tr>
<td>Energy</td>
<td>1.79%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>17.26%</td>
</tr>
<tr>
<td>Information Technology</td>
<td>32.74%</td>
</tr>
<tr>
<td>Fin Svcs, Materials, &amp; Others</td>
<td>3.57%</td>
</tr>
</tbody>
</table>

### NEW OR FOLLOW-ON?

<table>
<thead>
<tr>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>38%</td>
</tr>
<tr>
<td>62%</td>
</tr>
</tbody>
</table>

### DEAL STRUCTURE

<table>
<thead>
<tr>
<th>Structure</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preferred Stock</td>
<td>62%</td>
</tr>
<tr>
<td>Convertible Note</td>
<td>12%</td>
</tr>
<tr>
<td>Common, Safe, Debt, Other</td>
<td>26%</td>
</tr>
</tbody>
</table>

### % Deals in Region

- 2014: 76%
- 2015: 78%
- 2016: 69%
- 2017: 62%
- 2018: 92%

### Most Active Groups in Region

- Alliance of Angels
- Keiretsu Forum
- SeaChange Fund IV
- Golden Seeds
2018

SOUTHEAST

**VALUATION & INVESTMENT SIZE**
*(IN MILLIONS; MEDIAN, AVERAGE)*

- Median Pre-Money
- Average Pre-Money
- Med Funding Round
- Avg Funding Round
- Med Angel Grp Inv
- Avg Angle Grp Inv

**REGIONAL INDUSTRY**
*(PERCENTAGE OF DEALS IN THE REGION)*

- Business Prod & Svcs (B2B) (18.12%)
- Cons Prod & Svcs (B2C) (15.94%)
- Energy (0.72%)
- Healthcare (16.30%)
- Information Technology (46.38%)
- Fin Svcs, Materials, & Others (2.54%)

**NEW OR FOLLOW-ON?**
*(PERCENTAGE OF DEALS DONE AS A FOLLOW-ON)*

- 41% Follow-on
- 59% New Co

**DEAL STRUCTURE**
*(PERCENTAGE OF DEALS)*

- Preferred Stock: 47%
- Convertible Note: 37%
- Common, Safe, Debt, Other: 16%

**% Deals in Region**
*Percentage of Angel group funded deals within own region*

- 2014: 80%
- 2015: 79%
- 2016: 83%
- 2017: 56%
- 2018: 65%

**Most Active Groups in Region**

- Charlottesville Angel Network
- Blu Venture Investors
- New World Angels
- JumpFund

*(Ranked by number of investments or deals reported in the region)*
**CEO's Gender & Ethnicity**

**Seed & Series A CEOs**

<table>
<thead>
<tr>
<th>Funding Stage</th>
<th>Early</th>
<th>Late</th>
<th>N Total</th>
<th>Female</th>
<th>%Female</th>
<th>Male</th>
<th>%Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>38</td>
<td>21</td>
<td>263</td>
<td>17.07%</td>
<td>14.45%</td>
<td>225</td>
<td>3.80%</td>
</tr>
<tr>
<td>Minority</td>
<td>10</td>
<td>4</td>
<td>263</td>
<td>3.25%</td>
<td>24.39%</td>
<td>31</td>
<td>11.79%</td>
</tr>
</tbody>
</table>

**Series B & Later CEOs**

<table>
<thead>
<tr>
<th>Funding Stage</th>
<th>Early</th>
<th>Late</th>
<th>N Total</th>
<th>Female</th>
<th>%Female</th>
<th>Male</th>
<th>%Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>21</td>
<td>13</td>
<td>123</td>
<td>17.07%</td>
<td>14.45%</td>
<td>102</td>
<td>3.80%</td>
</tr>
<tr>
<td>Minority</td>
<td>4</td>
<td>3</td>
<td>123</td>
<td>3.25%</td>
<td>24.39%</td>
<td>13</td>
<td>11.79%</td>
</tr>
</tbody>
</table>

**CEO Ratio: Women to Men**

- **Seed & Series A**
  - All CEOs
    - Women to Men Ratio: 0.17
  - Minority CEOs
    - Women to Men Ratio: 0.32
- **Series B & Later**
  - All CEOs
    - Women to Men Ratio: 0.21
Most Active Groups in Region

- Rockies Venture Club (82%)
- Desert Angels (60%)
- (Ranked by number of investments or deals reported in the region)

Regional Industry

- Business Prod & Svcs (B2B) (18.25%)
- Cons Prod & Svcs (B2C) (21.17%)
- Energy (3.65%)
- Healthcare (14.60%)
- Information Technology (38.69%)
- Fin Svcs, Materials, & Others (3.65%)

Valuation & Investment Size

- Median Pre-Money: $4.0 Million
- Average Pre-Money: $8.0 Million
- Median Funding Round: $0.5 Million
- Average Funding Round: $1.0 Million
- Median Angel Group Inv: $0.0 Million
- Average Angel Group Inv: $0.5 Million

New or Follow-On?

- 33% Follow-on
- 67% New Co

Deal Structure

- Preferred Stock: 54%
- Convertible Note: 38%
- Common, Safe, Debt, Other: 8%
### CEO's Gender & Ethnicity

#### Seed & Series A CEOs

<table>
<thead>
<tr>
<th>Funding Stage</th>
<th>Early</th>
<th>Late</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>All</td>
<td>15</td>
<td>116</td>
</tr>
<tr>
<td>Minority</td>
<td>5</td>
<td>16</td>
</tr>
</tbody>
</table>

#### Series B & Later CEOs

<table>
<thead>
<tr>
<th>Funding Stage</th>
<th>Early</th>
<th>Late</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>All</td>
<td>5</td>
<td>16</td>
</tr>
<tr>
<td>Minority</td>
<td>5</td>
<td>16</td>
</tr>
</tbody>
</table>

### CEO Ratio: Women to Men

- **Seed & Series A**
  - All CEOs: 0.00 1.00 0.13
  - Minority CEOs: 0.00 1.00 0.00

- **Series B & Later**
  - All CEOs: 0.00 1.00 0.08
  - Minority CEOs: 0.00 1.00 0.00

#### Pie Charts

- **All CEOs, Seed & Series A**
  - Female 11.45%
  - Male 88.55%

- **Minority CEOs, Seed & Series A**
  - Female 23.81%
  - Male 76.19%

- **All CEOs, Series B & Later**
  - Female 7.46%
  - Male 92.54%

- **Minority CEOs, Series B & Later**
  - Female 8.96%
  - Male 100%

### SOUTHWEST 2018
2018

VALUATION & INVESTMENT SIZE
(IN MILLIONS; MEDIAN, AVERAGE)

Median Pre-Money
Average Pre-Money

REGIONAL INDUSTRY
(PERCENTAGE OF DEALS IN THE REGION)

Business Prod & Svcs (B2B) (15.09%)
Cons Prod & Svcs (B2C) (19.81%)
Energy (4.72%)
Healthcare (20.75%)
Information Technology (34.91%)
Fin Svcs, Materials, & Others (4.72%)

NEW OR FOLLOW-ON?
(PERCENTAGE OF DEALS DONE AS A FOLLOW-ON)

56% Follow-on
44% New Co

DEAL STRUCTURE
(PERCENTAGE OF DEALS)

Preferred Stock
Convertible Note
Common, Safe, Debt, Other

43%
36%
21%

% Deals in Region
Percentage of Angel group funded deals within own region

(Ranked by number of investments or deals reported in the region)

Houston Angel Network
Keiretsu Forum
CEO's Gender & Ethnicity

Seed & Series A CEOs

<table>
<thead>
<tr>
<th>Funding Stage</th>
<th>Early</th>
<th>Male</th>
<th>N Total</th>
<th>Late</th>
<th>Male</th>
<th>N Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>16</td>
<td>86</td>
<td>102</td>
<td>8</td>
<td>44</td>
<td>52</td>
</tr>
<tr>
<td>Minority</td>
<td>4</td>
<td>21</td>
<td>102</td>
<td>1</td>
<td>6</td>
<td>52</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>All CEOs, Seed &amp; Series A</th>
<th>Female</th>
<th>%Female</th>
<th>Male</th>
<th>%Male</th>
<th>N Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>15.69%</td>
<td>84.31%</td>
<td>15.69%</td>
<td>84.31%</td>
<td>102</td>
</tr>
<tr>
<td>Minority</td>
<td>3.92%</td>
<td>96.08%</td>
<td>3.92%</td>
<td>96.08%</td>
<td>102</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>All CEOs, Series B &amp; Later</th>
<th>Female</th>
<th>%Female</th>
<th>Male</th>
<th>%Male</th>
<th>N Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>15.38%</td>
<td>84.62%</td>
<td>15.38%</td>
<td>84.62%</td>
<td>52</td>
</tr>
<tr>
<td>Minority</td>
<td>11.54%</td>
<td>88.46%</td>
<td>11.54%</td>
<td>88.46%</td>
<td>52</td>
</tr>
</tbody>
</table>

CEO Ratio: Women to Men

<table>
<thead>
<tr>
<th>Funding Stage</th>
<th>CEO</th>
<th>Women</th>
<th>Men</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>All</td>
<td>0.00</td>
<td>1.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Minority</td>
<td>All</td>
<td>0.00</td>
<td>1.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Series B &amp; Later</td>
<td>All</td>
<td>0.19</td>
<td>1.00</td>
<td>0.19</td>
</tr>
<tr>
<td>Minority</td>
<td>All</td>
<td>0.17</td>
<td>1.00</td>
<td>0.17</td>
</tr>
</tbody>
</table>

TEXAS 2018
GLOBAL TRENDS

We received information on 77 deals that were investments made by US angels outside of the United States. While the N is small, the results are interesting. For example we are all aware of the growing opportunity for investments in South East Asia including China, the EU, and LATAM. But it appears that a these opportunities are sought more by institutions or family funds than angels. And when angels do invest outside of the US, almost half of these investments are in the UK and EU combined.

We expected to see more investing in the Pacific Rim, Mexico/LATAM, and Canada as a percent of the total. Again the N is small, and we may see this shift over time. It indeed appears that angel investing still starts closer to home, with less than 5% of reported investments exceptions to this rule.
THE HALO REPORT™

The 2018 HALO Report™ provides early-stage investors and entrepreneurs with the most comprehensive data and associated analysis, resulting in an enhanced understanding of how startups are funded.

About the HALO Report™
The HALO Report™ provides analysis and trends on the US angel community and angel group activity. Angels and angel groups invest alone, together, and with many other types of investors. The HALO Report™ data includes all rounds that do not exceed $4M in size, have at least one angel group participating, and may include other types of investors in those rounds. The ceiling governing round size for 2018 deals may be raised, in an effort to track larger follow-on rounds in which angel participation is present.

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